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CASE #: 20-2-14320-1 SEA

SUPERIOR COURT FOR THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF KING

HELEN CATTANEO, an individual,  
Plaintiff,

v.

TURO, INC., a foreign entity  
Defendant.

No. 20-2-14320-1 SEA

**AMENDED CLASS ACTION  
COMPLAINT**

**I. INTRODUCTION**

Plaintiff Helen Cattaneo alleges on behalf of the putative class as set forth herein:

Defendant Turo, Inc. is in the business of peer-to-peer car sharing with operations throughout the state of Washington. Turo engages in unfair and deceptive practices by acting as an insurer in Washington without a certificate of authority issued by the Insurance Commissioner or otherwise complying with Washington law for providing insurance in the state of Washington. In or about October 2019, the State of Washington, Office of Insurance Commissioner, determined that Turo is selling, soliciting and negotiating insurance without a license to do so, in violation of RCW 48.17.060(1) and that Turo is acting as an unauthorized insurer by acting as an obligor for its own damage protection plans, in violation of RCW 48.05.030(1).

**II. PARTIES**

1. Plaintiff Helen Cattaneo is a resident of King County, Washington.

2. Defendant Turo, Inc., is a foreign entity doing business in King County and throughout the state of Washington. Turo, Inc., is registered with the Washington State Department of Revenue as a for profit corporation.

**III. JURISDICTION AND VENUE**

3. Venue is proper pursuant to RCW 4.12.025(1) and (3) because Defendant Turo, Inc., transacts business in King County, provides services in King County, and the conduct at issue occurred in King County.

4. This Court has jurisdiction pursuant to RCW 4.12.020(3) because the cause of action arose in King County and pursuant to RCW 19.86.090, which allows Washington residents to bring private right of action Consumer Protection Act claims in the superior courts of this state to enjoin unfair or deceptive business practices that affect the public interest and cause injury.

5. This Court also has jurisdiction pursuant to RCW 48.05.215 and 48.18.200.

**IV. FACTUAL ALLEGATIONS**

**A. Defendant's Business Practices in Washington**

6. State laws and regulations establish the terms and conditions upon which a person or entity may act as an insurer and transact insurance in the state of Washington.

7. Insurance is defined in RCW 48.01.040 to consist of a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies.

1           8.     RCW 48.010(1) prohibits any person engaged in the business of  
2 insurance from unfair methods of competition and from committing unfair or deceptive  
3 acts and practices in the course of doing business.

4           9.     Under RCW 48.05.030(1), no person or entity shall act as an insurer in  
5 Washington without a certificate of authority issued by the Insurance Commissioner.

6           10.    Under RCW 48.05.030(1), no person or entity shall transact insurance in  
7 Washington without a certificate of authority issued by the Insurance Commissioner.

8           11.    Under RCW 48.17.060(1), a person or entity shall not sell, solicit, or  
9 negotiate insurance in the state of Washington for any line or lines of insurance unless  
10 the person is licensed for that line.

11          12.    Under RCW 48.17.060(2), a person or entity may not act as or hold  
12 himself out to be an adjuster in this state unless licensed by the Insurance  
13 Commissioner.

14          13.    The business of Defendant Turo, Inc. includes the facilitation of peer-to-  
15 peer car sharing with operations in and throughout King County and the state of  
16 Washington.

17          14.    As part of Turo's business, it enters into contracts whereby it undertakes  
18 to indemnify Washington consumers or pay them, or pay on their behalf, a specified  
19 amount upon one or more determinable contingencies.

20          15.    Turo enters into such contracts with vehicle owners.

21          16.    In contracts with vehicle owners, Turo agrees to indemnify such persons  
22 or pay them, or pay on their behalf, a specified amount upon the occurrence of one or  
23 more determinable contingencies related to the vehicle.

24          17.    As part of these contracts, vehicle owners agree to pay Turo a premium  
25 and/or fees for the indemnity or payment of a specified amount upon the occurrence of  
26 one or more determinable contingencies.

1 18. Premiums and/or fees could be collected by withholding a portion of the  
2 proceeds owed by a third party renting the vehicle to the vehicle owner.

3 19. Turo refers to vehicle owners as “hosts.”

4 20. Turo also enters into contracts with the third parties who rent vehicles from  
5 the vehicle owners.

6 21. In contracts with a third-party vehicle renter, Turo agrees to indemnify  
7 such persons or pay them, or pay on their behalf, a specified amount upon the  
8 occurrence of one or more determinable contingencies related to the vehicle.

9 22. As part of these contracts, a third-party vehicle renter agrees to pay Turo  
10 a premium and/or fees for the indemnity or payment of a specified amount upon the  
11 occurrence of one or more determinable contingencies.

12 23. Premiums and/or fees could be collected from the third party renting the  
13 vehicle if the third party opted to purchase coverage.

14 24. Turo refers to third-party vehicle renters as “guests” and/or “travelers”  
15 (referred to herein as “guests”).

16 25. In exchange for a host and/or a guest agreeing to pay Turo a premium  
17 and/or fees, Turo pledges to insure the vehicle that was rented by a third-party for the  
18 time period the vehicle was rented.

19 26. Insurance coverage includes damage protection plans.

20 27. Turo’s damage protection plans are available with various coverage  
21 options and deductible amounts.

22 28. Under Turo’s damage protection plans, where a host and/or a guest  
23 agrees to pay a fee or premium, Turo agrees to provide compensation depending on  
24 the plan chosen by the host and/or the guest for physical damage that may occur to the  
25 host’s vehicle.

1           29. For all times pertinent to this Complaint, Turo acted as an insurer in the  
2 state of Washington.

3           30. However, Turo acted as an insurer without a certificate of authority issued  
4 by the Insurance Commissioner.

5           31. For all times pertinent to this Complaint, Turo transacted insurance in the  
6 state of Washington.

7           32. However, Turo transacted insurance without a certificate of authority  
8 issued by the Insurance Commissioner.

9           33. For all times pertinent to this Complaint, Turo sold, solicited, and  
10 negotiated insurance in the state of Washington for a line or lines of insurance that  
11 includes vehicle damage protection.

12           34. However, Turo sold, solicited, and negotiated insurance in Washington for  
13 a line or lines of insurance that includes vehicle damage protection without a license to  
14 do so.

15           35. For all times pertinent to this Complaint, Turo employees did business in  
16 Washington with Washington consumers while holding themselves out as adjusters.

17           36. However, those employees doing business in Washington and holding  
18 themselves out as adjusters were not licensed by the Insurance Commissioner.

19           37. Insurers providing auto insurance in Washington on a direct basis are  
20 required to participate in Washington's Guaranty Association and pay premium tax.

21           38. Washington's Guaranty Association provides claim payment protection to  
22 Washington consumers in the event their insurer becomes insolvent.

23           39. Insurers providing auto insurance in Washington are also required to pay  
24 fees to the Office of the Insurance Commissioner as wells as fees to the National  
25 Association of Insurance Commissioners.

1           40. However, without obtaining proper authorization from the Insurance  
2 Commissioner, Turo avoided participating in Washington's Guaranty Association and  
3 paying premium taxes, thereby obtaining an unfair competitive advantage over  
4 authorized insurers.

5           41. Turo also avoided paying fees to the Office of the Insurance  
6 Commissioner as well as fees to the National Association of Insurance Commissioners.

7           42. As a result of Turo's actions and omissions, Washington consumers  
8 entering into agreements with Turo were deprived of administrative and regulatory  
9 scrutiny over Turo's policy language and interpretation.

10          43. As a result of Turo's actions and omissions, Washington consumers  
11 entering into agreements with Turo were deprived of administrative and regulatory  
12 scrutiny over Turo's business practices in the State of Washington.

13          44. As a result of Turo's actions and omissions, Washington consumers  
14 entering into agreements with Turo did not receive the same benefits and protections  
15 available to consumers entering into contracts with entities that are subjected to  
16 administrative and regulatory scrutiny.

17          45. For instance, Washington consumers entering into agreements with Turo  
18 were deprived of claim payment protections.

19          46. However, Washington consumers entering into agreements with Turo  
20 reasonably believed and understood that Turo provided insurance coverage for  
21 physical damage to a rented vehicle.

22          47. Washington consumers entering into agreements with Turo reasonably  
23 believed and understood that Turo was authorized to provide insurance coverage for  
24 physical damage to a rented vehicle.

1           48. The damage protection plans Turo marketed, negotiated, and sold in  
2 Washington failed to disclose that Turo was not authorized or licensed to conduct the  
3 business of insurance in Washington.

4           49. The damage protection plans Turo marketed, negotiated, and sold in  
5 Washington failed to [adequately] disclose that, in the event of any damage to the  
6 rented vehicle, and regardless of any coverage purchased through Turo, Turo would  
7 initiate a claim against a host's or guest's own automobile insurance.

8           50. The damage protection plans Turo marketed, negotiated, and sold in  
9 Washington also contained misleading, confusing, and contradictory information about  
10 the terms and conditions of coverage.

11           51. The damage protection plans Turo marketed, negotiated, and sold failed  
12 to contain information that clarified the terms and conditions of coverage in a manner  
13 that was comprehensible to a reasonable consumer.

14           52. Turo has marketed, negotiated, and sold thousands of damage protection  
15 plans in the state of Washington.

16           53. Turo has sold more than 80,000 damage protection plans in the state of  
17 Washington to Washington consumers.

18           54. Turo has collected approximately \$1.4 million from Washington  
19 consumers as a result of the damage protection plans it has sold in the state of  
20 Washington.

21           55. The amount in controversy, however, is substantially less than  
22 \$5,000,000.

23 **B. Plaintiff's Individual Factual Allegations**

24           56. Plaintiff Helen Cattaneo rented an automobile that was licensed and  
25 registered in the state of Washington.

26           57. For purposes of renting the vehicle, Plaintiff Cattaneo was a Turo "guest."  
27

1           58. In or about 2018, Plaintiff entered into an agreement with Defendant  
2 whereby Defendant agreed to insure the vehicle Plaintiff rented for the limited time  
3 period of the rental.

4           59. The agreement provided that Turo would indemnify Plaintiff or pay her or  
5 pay on her behalf, a specified amount upon the occurrence of one or more  
6 determinable contingencies related to the vehicle.

7           60. Plaintiff's insurance coverage through Turo included a damage protection  
8 plan.

9           61. Under the damage protection plan, Plaintiff agreed to pay Turo a fee or  
10 premium, and in exchange, Turo agreed to compensate Plaintiff in the event a future  
11 event may occur that damaged the vehicle.

12           62. Plaintiff estimates spending approximately \$80 in premium costs and/or  
13 fees in exchange for Turo insuring the vehicle that Plaintiff rented.

14           63. The rental period was approximately one day.

15           64. While operating the vehicle, Plaintiff hit a curb and damaged the vehicle.

16           65. Plaintiff made a claim for coverage to Turo.

17           66. Turo denied coverage, demanded Plaintiff pay various costs, charges, and  
18 fees, and submitted a claim against Plaintiff through Plaintiff's first-party automobile  
19 insurer.

20           67. In addition to paying \$80 for a damage protection plan, Plaintiff also paid  
21 Turo \$500.

22           68. Plaintiff estimates that her first-party insurer paid Turo approximately  
23 \$3,313.31.

24           69. As a direct and proximate consequence of Turo's failure to obtain proper  
25 authorization and/or licensure, Plaintiff and similarly situated Washington consumers  
26 suffered injury because they did not receive the protections governing the business of  
27



1 insurance in the state of Washington, including scrutiny over policy provisions and  
2 policy premiums, fees, and/or rates.

3 70. As a direct and proximate consequence of Turo's actions and omissions  
4 during the course of marketing, negotiating, and selling insurance, Plaintiff and similarly  
5 situated Washington consumers suffered injury because they paid Turo costs, charges,  
6 and fees.

7 **C. Civil Rule 23 Allegations**

8 71. Plaintiff brings this action on behalf of herself and as a class action,  
9 pursuant to CR 23(a) and 23(b) on behalf of the following class:

10 All consumers in the state of Washington who purchased a damage protection  
11 plan for an automobile from Defendant Turo, Inc. whereby Turo agreed to  
12 indemnify the purchasing consumer or pay the purchasing consumer, or pay on  
13 the purchasing consumer's behalf, a specified amount upon a determinable  
contingency related to damages occurring to the vehicle arising out of its use.

14 72. The proposed class is so numerous that joinder of all members is  
15 impracticable. Although the precise number of class members is known only to  
16 Defendant, there are many consumers that have suffered injury and damages as the  
17 result of Defendant's practices.

18 73. There are questions of law and fact common to the proposed class.

19 74. The principal question as to the class is whether Defendant accepted  
20 payments of fees and/or premiums in exchange for indemnifying the purchaser or  
21 paying the purchaser a specified amount upon a determinable contingency.

22 75. Another common question is whether the Defendant's acceptance of fees  
23 and/or premiums in exchange for indemnifying the purchaser or paying the purchaser a  
24 specified amount upon a determinable contingency amounts to acting as an insurer.

25 76. Another common question is whether Defendant acted as an insurer in  
26 violation of RCW 48.05.030(1).  
27

1           77. Another common question is whether the Defendant's acceptance of fees  
2 and/or premiums in exchange for indemnifying the purchaser or paying the purchaser a  
3 specified amount upon a determinable contingency amounts to transacting insurance.

4           78. Another common question is whether Defendant transacted insurance  
5 without a Certificate of Authority in violation of RCW 48.05.030(1).

6           79. Another common question is whether Defendant sold, solicited, and  
7 negotiated insurance in the state of Washington without a license.

8           80. Another common question is whether Defendant's sale, solicitation, and  
9 negotiation of insurance in the state of Washington without a license violates RCW  
10 48.17.060(1).

11           81. Another common question is whether Defendant's employees did  
12 business in Washington while holding themselves out as adjusters without a license.

13           82. Another common question is whether Defendant's employees did  
14 business in Washington while holding themselves out as adjusters without a license  
15 violates RCW 48.17.060(1).

16           83. Plaintiff's claims are typical of the claims of the proposed class, as they all  
17 arise from the same operative facts and are based on the same legal theories.

18           84. Plaintiff will fairly and adequately protect the interests of the proposed  
19 class. Plaintiff is committed to vigorously litigating this matter and has retained counsel  
20 experienced in handling class actions and claims involving unlawful business practices.  
21 Neither Plaintiff nor her counsel have any interests which might conflict with the  
22 interests of the proposed class.

23           85. This action may be certified under CR 23(b)(2) because Defendant has  
24 acted or refused to act on grounds generally applicable to the proposed class, thereby  
25 making appropriate final injunctive relief or corresponding declaratory relief with  
26 respect to the class as a whole. Plaintiff's claim for monetary relief is incidental to the  
27

injunctive and declaratory relief she seeks. The damages flow directly from liability to the class as a whole on the claims forming the basis of the injunctive and declaratory relief. Moreover, computing the monetary relief is simple and relies entirely on objective facts, without the need for subjective assessments of each class member's circumstances. There is no threat of a due process violation because all damages can be objectively determined. Plaintiff's request for declaratory relief and injunctive relief is more than a basis for monetary relief. The relatively modest relief sought by Plaintiff does not dominate her claims for declaratory and injunctive relief.

86. In the alternative, or in addition to certification under CR 23(b)(2), this action may be certified as a CR 23(b)(3) class action. Certification under CR 23(b)(3) is warranted because questions of law or fact common to the class predominate over any questions affecting only individual members.

87. A class action is superior to other available methods for fairly and efficiently adjudicating this controversy in that:

- a. Members of the proposed damages class do not have an overriding interest in individually controlling the prosecution of separate actions;
- b. No other cause of action concerning the claims here is currently pending in a court on behalf of or against members of the damages class;
- c. Concentration of litigation is desirable so that all claims can be resolved in one forum; and
- d. Management of this case as a damages action will present significantly fewer difficulties than would be presented in many individual claims challenging Defendants' unfair and deceptive

practice of selling, soliciting, and negotiating insurance without proper authority.

## V. CLASS CLAIMS

### A. Defendant Violated the Consumer Protection Act

88. Plaintiff re-alleges each and every allegation as set forth above.

89. Defendant Turo acted as an insurer in the state of Washington without authorization from the Insurance Commissioner.

90. Defendant Turo transacted insurance in the state of Washington without authorization from the Insurance Commissioner.

91. Defendant Turo sold, solicited, and negotiated insurance in Washington for a line or lines of insurance without a license from the Insurance Commissioner.

92. Defendant Turo's employees did business in Washington while holding themselves out as adjusters without a license from the Insurance Commissioner.

93. Defendant Turo's practices constitute unfair and deceptive practices occurring in trade or commerce in violation of the Consumer Protection Act, Chapter 19.86 RCW.

94. Defendant Turo's practices adversely impact the public interest and caused injury and have the capacity to injure other persons.

95. As a direct and proximate cause of Defendant Turo's practices, Plaintiff and the members of the class she seeks to represent have suffered injury and damages in an amount to be proven at the time of trial.

### B. Uniform Declaratory Judgment Act/Restitution Claim

96. Plaintiff re-alleges each and every allegation as set forth above.

97. Plaintiff brings the following Uniform Declaratory Judgment Act ("UDJA") and Restitution claim on her behalf and on behalf of the class separate and apart from any claim alleged for violation of the Washington Consumer Protection Act.

98. The Court should declare that Defendant's acts and practices described herein constitute acts of an insurer without authorization and thus Defendant is in violation of RCW 48.05.030(1).

99. The Court should declare that Defendant's acts and practices described herein constitute the transaction of insurance without authorization and thus Defendant is in violation of RCWC 48.05.030(1).

100. The Court should declare that Defendant's acts and practices described herein constitute the sale, solicitation, and negotiation of insurance without a license and thus Defendant is in violation of RCW 48.17.060(1).

101. The Court should declare that Defendant's acts and practices described herein constitutes employees holding themselves out as adjusters without a license and thus Defendant is in violation of RCW 48.17.060(1).

102. Defendant was unjustly enriched by acting as an insurer and transacting insurance without proper authorization and licensure pursuant to Title 48 RCW.

103. Defendant should be enjoined from retaining the benefit and money it obtained over the class period from acting as an insurer and transacting insurance in violation of Washington law.

104. In equity and justice, Defendant should be ordered to disgorge benefits and money it obtained over the class period from acting as an insurer and transacting insurance in violation of Washington law.

105. In equity and justice, Defendant should be ordered to pay in full the benefits and money it obtained over the class period from acting as an insurer and transacting insurance in violation of Washington law.

## VI. RELIEF REQUESTED

106. WHEREFORE, Plaintiff Helen Cattaneo respectfully requests that the Court enter judgment as follows:

- a. Certifying the CPA claim as proposed, under CR 23, appointing Plaintiff and her counsel to represent the class;
- b. Enjoining the Defendant under the CPA from acting as an insurer or transacting insurance in the state of Washington until it obtains authorization from the Office of the Insurance Commissioner;
- c. Certifying the UDJA claim as proposed, under CR 23, appointing Plaintiff and her counsel to represent the class;
- d. Enjoining the Defendant under the UDJA from acting as an insurer or transacting insurance in the state of Washington;
- e. Awarding Plaintiff and the class actual damages pursuant to RCW 19.86.090;
- f. Awarding Plaintiff and the class treble damages pursuant to RCW 19.86.090;
- g. Awarding Plaintiff and the class out-of-pocket and investigative expenses;
- h. Awarding Plaintiff and the class costs and reasonable attorneys' fees based on all applicable statutes and other grounds, including RCW 19.86.090;
- i. Pre-judgment interest on all amounts awarded as allowed by law;
- j. Post-judgment interest;
- k. Disgorgement of fees paid by Washington consumers;
- l. A supplemental award to cover any adverse tax consequences of the judgment; and

m. Awarding Plaintiff such further equitable, legal or additional relief as  
may be appropriate or just.

DATED: October 28, 2020.

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